



Connecticut Mortgage  
Bankers Association, Inc.

February 26, 2014

TO: Committee on Labor and Public Employees

FROM: The Connecticut Mortgage Bankers Association, Inc.

RE: Statement in Support of Senate Bill No. 221 (LCO No. 1236), An Act  
Concerning Credit Checks and Financial Institutions

The Connecticut Mortgage Bankers Association, Inc. ("CMBA"), which numbers over one hundred fifty organizations and 700 individuals, is a non-profit association formed in 1984. The two principal purposes of the CMBA are to promote the welfare of the mortgage lending industry in Connecticut and to improve its service to the citizens of Connecticut. The CMBA is Connecticut's only trade association dedicated exclusively to the mortgage banking industry in the State of Connecticut.

For the reasons stated below, the CMBA supports Senate Bill No. 221.

Currently Connecticut General Statutes Section 31-51tt, entitled "Employer inquiries about an employee's or prospective employee's credit. Exceptions. Enforcement.", excludes banks, thrifts and credit unions from the statutory prohibition preventing employers from inquiring about employee and prospective employee credit status. The current statute does not, however, exclude non-depository mortgage lenders, mortgage correspondent lenders, mortgage brokers licensed by Connecticut Banking Commissioner from this statutory proscription. This omission appears to have been an oversight inasmuch as both the Banking Commissioner and the Commissioner's licensees have a clear interest in assuring that a licensee's employees meet the financial responsibility standards applicable to the Commissioner's licensees.

By amending the definition of exempt "financial institutions", Senate Bill No. 221 provides that non-depository mortgage lenders and other licensees would no longer be prohibited from requiring an employee or prospective employee to consent to a request for a credit report that contains information about the employee's or prospective employee's credit score, credit account balances, payment history, savings or checking account balances or savings or checking account numbers as a condition of employment since such licensees will now fall within the definition of an exempt financial institution.

For the foregoing reasons, the CMBA supports S.B. 221.